

California Gambling Control Commission
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Wednesday, February 16, 2005

MINUTES OF FEBRUARY 16, 2005
COMMISSION MEETING

OPEN SESSION

Chairman Shelton called the meeting of February 16, 2005, to order at 10:00 a.m., with Commissioners Sasaki, Smith, and Williams present.

Staff Participating: Cyrus Rickards, Chief Counsel, Gary Qualset, Deputy Director, Audits and Compliance, Cara Podesto, Manager, Licensing Division.

Upon motion of Commissioner Sasaki, seconded by Commissioner Williams and unanimously carried with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission adopted the January 12, 2005, Commission meeting minutes.

DECISION ITEMS

1. Application for Work Permit:
 - a. The River Card Room
Laos, Justo

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a work permit for Justo Laos, Item 1.a. Upon motion of Commissioner Smith, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for a work permit for Justo Laos, Item 1.a.

2. Application for Key Employee License:

- a. Hawaiian Gardens Casino:
Arnold, Wendy
Cortese, Angie
Ferrante, Nicholas
Fiering, Frederick
Hanson, Robert
Riley, Robert
- b. Hemphill's Cardroom:
Long, Ronald
- c. Lucky Derby Casino:
Ankenbauer, Roger
- d. Palace Card Club:
Villanueva, Dominador
- e. Philippine Gardens:
Garcia, Alicia
- f. Phoenix Casino and Lounge:
Lay, Trey

Manager Podesto presented Item 2 to the Commission for its consideration of the applications for key employee licenses. Chairman Shelton made a motion, for discussion purposes, to approve the applications for key employee licenses, and Commissioner Smith seconded the motion. Chairman Shelton requested to have Robert Hanson pulled from Item 2.a. for review of the personnel file and modified his motion to approve the applications for a key employee license for Wendy Arnold, Angie Cortese, Nicholas Ferrante, Frederick Fiering, and Robert Riley, Item 2.a., Commissioner Smith seconded the modified motion, which carried unanimously in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith and Williams voting yes, the Commission approved the applications for a key employee license for Wendy Arnold, Angie Cortese, Nicholas Ferrante, Frederick Fiering, and Robert Riley, Item 2.a., and consideration of Robert Hansen was tabled.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Ronald Long, Item 2.b. Chairman Shelton moved to approve the staff recommendation for discussion purposes and Commissioner Sasaki seconded the motion. Commissioner Williams expressed concerns regarding a tax liability with multiple taxing jurisdictions that had not been satisfied. Commissioner Smith expressed concerns regarding the applicants continuing to work under an expired contractors license. Chairman Shelton withdrew his motion and Commissioner Sasaki withdrew her second to the motion. Chairman Shelton announced that the

Commission's consideration of the application for a key employee license for Ronald Long, Item 2.b., was being tabled and directed staff to request that the Division of Gambling Control conduct further investigations on the issues of concern.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Roger Ankenbauer, Item 2.c. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for a key employee license for Roger Ankenbauer, Item 2.c.

Commission consideration of the application for a key employee license for Dominador Villanueva, Item 2.d., was tabled by Chairman Shelton who directed staff to request that the Division of Gambling Control conduct further investigation of Mr. Villanueva's employment history from 1992 through 1997.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Alicia Garcia Item 2.e. Upon motion of Chairman Shelton, seconded by Commissioner Smith and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for a key employee license for Alicia Garcia Item 2.e.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Trey Lay, Item 2.f. Chairman Shelton directed staff to request that the Division of Gambling Control conduct further investigation into the reason of Mr. Trey's discharge from the United States Navy and tabled the item pending a report from the Division on its findings.

3. Request for Additional Authorized Tables:

- a. Commerce Casino: California Commerce Club, Inc.
- b. Hustler Casino: El Dorado Enterprises, Inc.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the request from Commerce Casino, Item 3.a., to increase the establishment's gambling tables by 13, thereby increasing the total number of authorized tables from 230 to 243. Upon motion of Commissioner Smith, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting

yes the Commission approved the request of Commerce Casino, Item 3.a., to add 13 additional tables for a total of 243 tables authorized under the license.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the request from Hustler Casino, Item 3.b., to increase the establishment's gambling tables by two, thereby increasing the total number of authorized tables from 63 to 65. Upon motion of Commissioner Smith, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes the Commission approved the request of Hustler Casino, Item 3.b., to add two additional tables for a total of 65 tables authorized under the license.

4. Applications for State Gambling License:

- a. Artichoke Joe's Casino:
 - i. Cody J. Sammut AJ Stock Trust
 - ii. Michael J. Sammut AJ Stock Trust

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a state gambling license for Cody J. Sammut AJ Stock Trust and Michael J Sammut AJ Stock Trust as shareholders being endorsed on the license for Artichoke Joe's Casino, Item 4.a. Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the applications for a state gambling license for Cody J. Sammut AJ Stock Trust and Michael J Sammut AJ Stock Trust as shareholders being endorsed on the license for Artichoke Joe's Casino, Item 4.a.

5. Approval of Transfer of Shares:

- a. Helen M. Sammut Trustee of the Helen M. Sammut Trust to Dennis J. Sammut – Shareholder
- b. Leia V. Johnson AJ Stock Trust to Sally Ann Johnson Stock Trust
- c. Jennifer Stanton Hatch AJ Stock Trust to Sally Ann Johnson Stock Trust
- d. Cody J. Sammut AJ Stock Trust to Michael J. Sammut AJ Stock Trust

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the request to transfer shares for Helen M. Sammut Trustee of the Helen M. Sammut Trust to Dennis J. Sammut, Shareholder, Item 5.a., Leia V. Johnson AJ Stock Trust to Sally Ann Johnson Stock Trust, Item 5.b., Jennifer Stanton Hatch AJ Stock Trust to Sally Ann Johnson Stock Trust, and Cody J. Sammut AJ Stock Trust to Michael J. Sammut AJ Stock Trust,

Item 5.d. Upon motion of Chairman Shelton , seconded by Commissioner Smith and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes the Commission approved the request to transfer shares for Helen M. Sammut Trustee of the Helen M. Sammut Trust to Dennis J. Sammut, Shareholder, Item 5.a., Leia V. Johnson AJ Stock Trust to Sally Ann Johnson Stock Trust, Item 5.b., Jennifer Stanton Hatch AJ Stock Trust to Sally Ann Johnson Stock Trust, and Cody J. Sammut AJ Stock Trust to Michael J. Sammut AJ Stock Trust, Item 5.d.

6. Applications for Renewal of State Gambling License:

- a. Ginny's Club: Virginia Mahoney, Sole Proprietor
- b. Kelly's: Albert Cianfichi, Sole Proprietor
- c. Mortimer's Card Room: Edward Williamson and Ok Heui Hanna, A General Partnership
- d. Napa Valley Casino: Paul Maguire, Sole Proprietor
- e. Ocean View Cardroom: Veronica Allard, Sole Proprietor
- f. Old Cayucos Tavern: Old Cayucos Tavern, Inc., Corporation

Manager Podesto indicated that both the division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Ginny's Club, Item 6.a., for the period of March 1, 2005 through February 28, 2006. Upon motion of Commissioner Smith, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approve the application for renewal of a state gambling license for Ginny's Club, Item 6.a., period of March 1, 2005 through February 28, 2006.

Manager Podesto indicated that staff recommends the Commission approve a five-month conditional state gambling license to the owner of Kelly's issued on March 1, 2005 and expiring on July 31, 2005 with the following conditions:

Prior approval is required from the Division for any advertisement and /or operation of promotions at the licensed gambling establishment.

Manager Podesto further indicated that staff also recommends the Commission direct the Division of Gambling Control to conduct a site inspection as soon as possible and no later then 60 days.

Chairman Shelton moved to approve the staff recommendation and Commissioner Williams seconded the motion.

Commissioner Sasaki indicated that it should be noted that approval of the gambling

license renewal included Estelle Cianfichi's community property interest.

The motion made by Chairman Shelton and seconded by Commissioner Williams unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved a five-month temporary renewal of the state gambling license through July 31, 2005, with the conditions indicated by staff being applied to the license for Kelly's, Item 6.b.

Manager Podesto indicated that staff recommends that the Commission approve a second six month temporary state gambling license to the owners of Mortimer's Card Room for the period of March 1, 2005 through August 31, 2005. Commissioner Smith moved to adopt the staff recommendation and Commissioner Sasaki seconded the motion. Chairman Shelton indicated that that because of several issues causing concern with the operations of this establishment he requested that Commissioner Smith amend his motion to shorten the state gambling license renewal period to three months.

Mike Franchetti, Attorney for Mortimer's, presented comments to the Commission regarding Mortimer's Card Room, indicating that he was recently retained as counsel for Mortimer's and will be working with the gambling establishment to identify and correct problems areas and develop operating procedures to establish and maintain compliance.

Commissioner Smith amended his motion to approve a temporary three-month renewal of the state gambling license for the period of March 1, 2005 through to May 31, 2005 to the owners of Mortimer's Card Room, Item 6.c. Commissioner Sasaki seconded the motion, which unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of the state gambling license through November 31, 2005 for Napa Valley Casino, Item 6.d. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for renewal of a state gambling license through November 31, 2005 for Napa Valley Casino, Item 6.d.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of the state gambling license through February 28, 2006 for Ocean View Cardroom, Item 6.e. Upon motion of Commissioner Smith, seconded by Chairman Shelton and

unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for renewal of a state gambling license through February 28, 2006, for Ocean View Cardroom, Item 6.e.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of the state gambling license through November 30, 2005 for Old Cayucos Tavern, Item 6.f. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for renewal of a state gambling license through November 30, 2005 for Old Cayucos Tavern, Item 6.f.

7. Application for Tribal-State Compact Financial Sources Finding of Suitability – Request for Withdrawal:

a. Pacific Coast Gaming – Fresno LLC:

- i. Pacific Coast Gaming - LLC
Daly, Matthew

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for withdrawal of the application for Tribal-State Compact Financial Sources Finding of Suitability for Pacific Coast Gaming – Fresno LLC, Item 7.a. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton, and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved without prejudice the request for withdrawal of the application for Tribal-State Compact Financial Sources Finding of Suitability for Pacific Coast Gaming – Fresno LLC, Item 7.a.

8. Applications for Tribal-State Compact Gaming Resource Supplier (Vendor) Finding of Suitability – Request for Withdrawal:

a. Happ Controls, Inc.:

- i. Happ, Susan

b. Pacific Coast Gaming – Fresno LLC:

- i. Pacific Coast Gaming - LLC
Daly, Matthew

c. Shuffle Master, Inc.:

- i. Koslow, Gerald

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice of the request for

withdrawal of the applications for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Happ Controls, Inc., Item 8.a., and Pacific Coast Gaming, Item 8.b. Upon motion of Commissioner Smith, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith and Williams voting yes, the Commission approved without prejudice the requests for withdrawal for the applications for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Happ Controls, Inc., Item 8.a., and Pacific Coast Gaming, Item 8.b.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval with prejudice of the request for withdrawal of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Shuffle Master, Inc., Item 8.c. Upon motion of Chairman Shelton, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved with prejudice the request for withdrawal of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Shuffle Master, Inc., Item 8.c.

9. Applications for Tribal-State Compact Gaming Resource Supplier Finding of Suitability:

a. Atronic Americas, LLC: Paul Gauselmann, Michael Gauselmann, Rolf Klung, Joseph Bailo, Michael Lauer, Limited Liability Company

- i. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – Agua Caliente Casino
- ii. Alturas Indian Rancheria – The Desert Rose Casino
- iii. Augustine Band of Cahuilla Mission Indians of the Augustine Reservation – Augustine Casino
- iv. Berry Creek Rancheria of Maidu Indians – Gold Country Casino
- v. Big Valley Band of Pomo Indians of the Big Valley Rancheria – Big Valley Rancheria
- vi. Blue Lake Rancheria – Blue Lake Casino and Bingo
- vii. Cabazon Band of Mission Indians – Fantasy Springs Resort Casino
- viii. Cahto Indian Tribe of the Laytonville Rancheria – Red Fox Casino
- ix. Cahuilla Band of Mission Indians of the Cahuilla Reservation – Cahuilla Creek Casino
- x. Campo Band of Mission Indians of the Cahuilla Reservation – Golden Acorn Casino Travel Center
- xi. Chemehuevi Indian Tribe of the Chemehuevi Reservation – Havasu Landing Resort Casino
- xii. Chicken Ranch Rancheria of Me-Wuk Indians of California –

- Chicken Ranch Casino
- xiii. Dry Creek Rancheria of Pomo Indians of California – River Rock Casino
- xiv. Elk Valley Rancheria – Elk Valley Casino
- xv. Hopland Band of Pomo Indians – Shokawah Casino and Bingo
- xvi. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria Casino, Hotel, and Conference Center
- xvii. Middletown Rancheria of Pomo Indians of California – Twine Pine Casino
- xviii. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation – Casino Morongo
- xix. Pala Band of Luiseno Mission Indians of the Pala Reservation – Pala Casino Resort Spa
- xx. Paskenta Band of Nomlaki Indians of California – Rolling Hills Casino
- xxi. Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation – Casino Pauma
- xxii. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Resort and Casino
- xxiii. Picayune – Chuckchansi Indians – Chuckchansi Gold
- xxiv. Pit River Tribe – Pit River Casino
- xxv. Redding Rancheria – Win-River Casino
- xxvi. Rincon Band of Luiseno Mission Indians of the Rincon Reservation – Harrah's Rincon Casino and Resort
- xxvii. Robinson Rancheria of Pomo Indians of California – Robinson Rancheria Casino and Bingo
- xxviii. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Casino Resort
- xxix. San Manuel Band of Mission Indians – San Manuel Casino
- xxx. San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino
- xxxi. Santa Rosa Indian Community of the Santa Rosa Rancheria – The Palace
- xxxii. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation – Chumash Casino
- xxxiii. Sherwood Valley Rancheria of Pomo Indians of California – Black Bart Casino
- xxxiv. Soboba Band of Luiseno Indians- Soboba Casino
- xxxv. Susanville Indian Rancheria – Diamond Mountain Casino
- xxxvi. Sycuan Band of Diegueno Mission Indians of California – Sycuan Casino and Resort
- xxxvii. Table Mountain Rancheria – Table Mountain Casino
- xxxviii. Tule River Indian Reservation – Eagle Mountain Casino

- xxxix. Tuolumne Rancheria – Black Oak Casino
 - xl. Twenty Nine Palms Band of Mission Indians of California – Trump 29 Casino
 - xli. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino
 - xlii. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino & Turf Club
- b. Gaming Partners International USA, Inc. (formerly known as Paul-Son Gaming Supplies, Inc.): Francois Carrette, Gerard Charlier, Eric Endy, Melody Sullivan, Laura McAllister Cox, Benoit Aucouturier, Paul Dennis, Alain Thieffry, Jerry West, Nevada Corporation:
- i. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – Agua Caliente Casino
 - ii. Augustine Band of Cahuilla Mission Indians of the Augustine Reservation – Augustine Casino
 - iii. Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation – Barona Valley Ranch Resort and Casino
 - iv. Big Valley Band of Pomo Indians of the Big Valley Rancheria – Big Valley Rancheria
 - v. Blue Lake Rancheria – Blue Lake Casino and Bingo
 - vi. Cabazon Band of Mission Indians – Fantasy Springs Resort Casino
 - vii. Cachil Dehe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria – Colusa Casino
 - viii. Campo Band of Mission Indians of the Cahuilla Reservation – Golden Acorn Casino Travel Center
 - ix. Cher-Ae Heights Indian Community of the Trinidad Rancheria – Cher-Ae Heights Casino
 - x. Elk Valley Rancheria – Elk Valley Casino
 - xi. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation – Casino Morongo
 - xii. Pala Band of Luiseno Mission Indians of the Pala Reservation – Pala Casino Resort Spa
 - xiii. Paskenta Band of Nomlaki Indians of California – Rolling Hills Casino
 - xiv. Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation – Casino Pauma
 - xv. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Resort and Casino
 - xvi. Picayune – Chuckchansi Indians – Chuckchansi Gold
 - xvii. Quechan Tribe of the Fort Yuma Indian Reservation – Quechan Paradise Casino
 - xviii. Rincon Band of Luiseno Mission Indians of the Rincon Reservation –

- Harrah's Rincon Casino and Resort
- xix. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Casino Resort
- xx. San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino
- xxi. Santa Rosa Indian Community of the Santa Rosa Rancheria – The Palace
- xxii. Soboba Band of Luiseno Indians- Soboba Casino
- xxiii. Sycuan Band of Diegueno Mission Indians of California – Sycuan Casino and Resort
- xxiv. Table Mountain Rancheria – Table Mountain Casino
- xxv. Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California – Black Oak Casino
- xxvi. Twenty-Nine Palms Band of Mission Indians of California – Trump 29 Casino
- xxvii. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino
- xxviii. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino
- c. Summit Amusement & Distributing, Ltd.: William Rickett, Timothy Carson, Limited Partnership
- d. The United States Playing Card Company: Susan Fox, Gregory Simko, David Sommerkamp, Dudley Taft, Charles Zunk, Ohio Corporation

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Atronic Americas, LLC, Item 9.a. Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton, and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Atronic Americas, LLC, Item 9.a.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Gaming Partners International USA, Inc., Item 9.b. Upon motion of Commissioner Sasaki, seconded by Commissioner Smith and unanimously carried in the call for a vote with Chairman Shelton, and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Gaming Partners International USA, Inc., Item 9.b.

The Commission took no action on the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Summit Amusement & Distributing, Ltd., Item 9.c., and The United States Playing Card Company, Item 9.d., which were tabled at the request of staff.

10. Accounting and Reporting of Net Win under the Tribal-State Gaming Compacts.

Deputy Director Qualset presented CGCC Publication 1 concerning Indian Gaming Special Distribution Fund Reporting and Net Win Accounting Guidelines Under the Tribal-State Gaming Compacts of 1999. Deputy Director Qualset indicated that the publication is intended to be a resource to provide information and assistance on the topic of accounting and reporting for Net Win for the purpose of calculating quarterly contributions to the Indian Gaming Special Distribution Fund (IGSDF), as well as offer guidance on the Compact's contribution and reporting requirements. Deputy Director Qualset further indicated that following circulation of the draft publication staff had received suggested changes to the publication that he presented to the Commission for its consideration of incorporating into the publication. These changes were:

1. Page 8, under the heading: Unredeemed Ticket Liability, following paragraph one, add: If formula two is not used the gaming operation should maintain subsidiary records that support the accounting methodology being followed after the appropriate adjustments are made that yields results identical to that of using formula two directly.
2. Page 12 – 13, Table column one,
 - row 1, following the word "adjustments" add (see page 6)
 - row 2, following the word "liability" add (see page 7)
 - row 3, following the word "fees" add (see page 7)
 - row 4, following the word "fees" add (see page 8)
 - row 5, following the word "prizes" add (see page 8)
 - row 6, following the word "liability" add (see page 8)
 - row 7, following the word "liability" add (see page 8)
 - row 8, following the word "payouts" add (see page 9)
 - row 9, following the word "jackpots" add (see page 9)
 - row 10, following the word :allowances" add (see page 9)
 - row 11, following the word "incentives" add (see page 9)
 - row 12 following the word "coins" add (see page 10)
 - row 13, following the word "variance" add (see page 10)
 - row 14, following the word "write-off" add (see page 10)
 - row 15, following the word "jackpots" add (see page 10)

3. Page 13, row 2, second column, following the word “used” add: in which case the adjusted net win should be identical to the result of using formula two.
4. Page 13, row 2, third column, following the word “used” add: in which case the adjusted net win should be identical to the result of using formula two.
5. Page 14, row 11, fourth column, following the word “Provided” add: and tracked in detail

Commissioner Smith moved to authorize the publication of CGCC Publication 1, Indian Gaming Special Distribution Fund Reporting And Net Win Accounting Guidelines Under The Tribal-State Gaming Compacts Of 1999, for dissemination and to include the changes suggested by Deputy Director Qualset, and authorized staff to continuously make non-substitutive changes to the publication.

Commissioner Williams seconded the motion, which unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes. A copy of CGCC Publication 1, as presented to the Commission is incorporated into the minutes as Attachment A.

11. Application of the Term “Gaming Device” under the Tribal-State Gaming Compacts.

Chief Counsel Rickards presented staff’s recommendation that the Commission direct staff to follow the Tribal Casino Advisory issued by the Division of Gambling Control regarding the term “Gaming Device” so that each terminal or player station attached to a gaming system is accounted for as a separate Gaming Device for purposes of carrying out the Commission’s duties under the Compact.

At 11:45 Chairman Shelton announced that the Commission would recess until 1:00 p.m.

Chairman Shelton reconvened the Commission meeting at 1:05 p.m. with Commissioners Sasaki, Smith, and Williams present.

Commissioner Smith moved to direct staff to follow the Tribal Casino Advisory issued by the Division of Gambling Control regarding the term “Gaming Device” so that each terminal or player station attached to a gaming system is accounted for as a separate Gaming Device for purposes of carrying out the Commission’s duties under the Compact. Commissioner Williams seconded the motion.

Robert Tabor, Shuffle Master Inc., presented comments concerning the staff recommendation indicating that the recommendation was far too broad. He further

indicated that he believes that the multi-terminal devices do comply with the Compact because there is one game being played with multiple participants playing the game simultaneously.

Gordon Dickie, Vice President of Compliance, Shuffle Master Inc., commented on the staff recommendation indicating that Shuffle Master does not manufacture gaming devices and that the machines they market are an exact imitation of a table game.

Ken Perez, Chairman, Pechanga Gaming Commission, presented comments indicating that Pechanga filed a Temporary Restraining Order against the Commission because they want the Commission to follow the regulatory process pursuant to the 1999 Compacts. Chairman Perez requested that the Commission table its consideration of the term "Gaming Device" and instead bring a proposal of a Tribal-Gaming Regulation to the Association according to the Association's amended protocol.

Chairman Shelton stated that the Commission was not writing a regulation; rather its action would be to adopt a definition to be applied to a situation in practice.

Ken Perez, Pchanga Gaming Commission, indicated that the Commission's action on this matter would result in enforcement by the Division of Gambling Control that will affect several tribes.

Gordon Dickie, Shuffle Master Inc., commented further on the machines marketed by Shuffle Master Inc.

Thomas Walker, Gaming Commissioner, Picayune Ranchiera, commented on the staff recommendation and suggested having a third-party with no interest conduct a study and provide an opinion.

The motion made by Commissioner Smith and seconded by Commissioner Williams unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission adopted the staff recommendation of the definition for "Gaming Device." A copy of the memorandum prepared by staff that included staff's recommendation is incorporated into the minutes as Attachment B.

PUBLIC COMMENT:

There was no comment from the public during this portion of the meeting.

CLOSED SESSION:

Chairman Shelton announced that the Commission would adjourn to Closed Session. At 1:30 p.m. the Commission adjourned to Closed Session.

RECONVENE TO OPEN SESSION:

Chairman Shelton reconvened the meeting at 1:39 p.m. with Commissioners Sasaki, Smith, and Williams present.

1. Commissioner Comments.

There were no comments from the Commissioners during this portion of the meeting.

ADJOURNMENT:

Upon motion to adjourn the meeting by Commissioner Smith, seconded by Commissioner Sasaki and unanimously carried with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the meeting adjourned at 1:40 p.m.